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FLOOR DEBATE

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value at the end of the three-year period. It's typical for dormancy fees to apply after six months, but they could be after a year. And there could be a nominal fee of \$2 per month, so an unused \$50 credit card would have no value after 31 months. The issuing business is not required to forfeit anything to the State Treasurer, because the card has no value. Disclosure of the fees and terms are not required under present statute. The third kind are general use, prepaid cards. These are usually issued by financial institutions and are good at multiple merchants. They differ from the first two instances, in that they do not attract a customer to a specific business. Instead, they provide services and convenience to the customer, in that they can be used at any business that accepts credit cards. Issuers of general use credit cards, or prepaid cards, interpret that present statute does not categorize them as gift certificates. Now here's the problem. Under present statute, it's appealing for the issuing business to charge dormancy fees, because the business keeps the money, and the customer loses the money. This option is especially attractive, in that disclosure of the fees and expiration dates is not required to be printed on the card. So the present statute is not in the best interest of the public. This bill with the committee amendment, AM2018, provides the following solution: The gift certificates or cards with no expiration date or dormancy fees would not escheat or forfeit to the State Treasurer. Gift certificates with a dormancy fee, expiration date, or both, would still forfeit to the State Treasurer, but disclosure of the fees would be required on the certificate. If a certificate or card didn't have anything, it was silent as to the fees and the expiration date, then it would be considered that there would be no fees and no expiration date. Gift certificates issued before the effective date of this bill would be allowed to comply by the issuer publicly posting their policy, and general use prepaid cards would be treated as an individual category. So the required disclosure of fees and/or dates on the certificate would assist the purchaser in making an informed decision. The change in forfeit requirements will be an incentive for businesses to treat gift certificates as cash and honor them forever. So this, obviously, would be in the best interests of the public. Thank you, Mr. President. That concludes my introduction.